

REPORT TO ABERDEENSHIRE COUNCIL – 18 JUNE 2015

UNAUDITED ANNUAL ACCOUNTS 2014/15 FOR ABERDEENSHIRE COUNCIL AND ITS CHARITABLE TRUSTS

1 Recommendations

The Council is recommended to:

1.1 Consider the Annual Accounts 2014/15 for Aberdeenshire Council and its Charitable Trusts.

2 Discussion

- 2.1 Aberdeenshire Council has a statutory responsibility to prepare its Annual Accounts by 30 June, following the 31 March financial year end. The Annual Accounts comply with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The accounts of the Charitable Trusts comply with the Charities' Statement of Recommended Practice (SORP).
- 2.2 In terms of the Local Authority Accounts (Scotland) Regulations 2014, the Council or a Committee with audit responsibilities must meet to consider the unaudited Annual Accounts as submitted to the auditor no later than 31 August. The Annual Accounts will also be considered by Scrutiny & Audit Committee on 2 July 2015.
- 2.3 The Annual Accounts is a complex document, which complies fully with Accounting Standards, but this does not always lead to ease of interpretation. Although there are no significant changes to the Code for 2014/15, the Regulations mentioned in paragraph 2.2 introduce a Management Commentary in place of the Explanatory Foreword by the Head of Finance. This Commentary covers issues that are wider than the accounts, and is similar to the Strategic Report that can be found in the accounts of private sector companies and central government bodies. To recognise its importance, the Management Commentary will be signed by the Co-Leaders of the Council, the Chief Executive and the Head of Finance once the audited accounts have been considered by the Council or Scrutiny and Audit Committee.
- 2.4 A complete review of the format and the content of the document has been carried out during the year, with the assistance of Deloitte. The document is designed to be read online and fewer copies have been printed, and the printed copies will be made available in Group Rooms rather than being distributed to all Councillors. The review has resulted in a further reduction in the length of the accounts. The unaudited Annual Accounts of the Council and its Charitable Trusts are available on the Council's website (<https://www.aberdeenshire.gov.uk/about/plans/annual.asp>).

- 2.5 A summary of the main financial results is considered in a separate report on the agenda on Revenue Budget Monitoring to 31 March 2015.
- 2.6 Councillors are asked to consider the Annual Accounts 2014/15 for Aberdeenshire Council and its Charitable Trusts.
- 2.7 The Annual Governance Statement provides assurance on the governance of Aberdeenshire Council's affairs and the stewardship of the resources at its disposal. The Statement confirms that reasonable assurance can be placed on the effectiveness of the Council's control systems. However, Internal Audit have highlighted areas where improvements can be made to compliance with policies and procedures particularly the implementation of recommendations from Internal Audit reports. In response to this, resources have been allocated along with improved training and awareness raising in order to address compliance. The effect of this action has seen improvement but Strategic Leadership Team (SLT) has gone further and instructed Services to ensure that compliance with Council policies and procedures is adhered to. Furthermore SLT will receive updates on the progress made in terms of the implementation of Internal Audit recommendations. It is also noted that the Chief Internal Auditor considers this response and action to be proportionate.
- 2.8 The Monitoring Officer within Business Services has been consulted and her comments incorporated into this report.

3 Equalities, Financial and Staffing Implications

- 3.1 An equality impact assessment is not required because the reason for this report is to allow the Council to discuss and comment on historical and factual data in the accounts and there will be no differential impact, as a result of this report, on people with protected characteristics.
- 3.2 The financial implications are set out in detail in the report on Revenue Monitoring to 31 March 2015, which is a separate report on today's agenda. There are no staffing implications arising from this report.

Alan Wood
Director of Business Services

Report prepared by Ross Brennan, Chief Accountant
13 May 2015

Revenue Budgets\Consolidation\2014-15\10) Mar-15\1) Monitoring Working Files\Unaudited Annual Accounts 2014-15.doc